

The Honorable Ricardo S. Martinez

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

WASHINGTON FEDERAL, a federally  
chartered savings association,

Plaintiff,

vs.

COUNTRYWIDE HOME LOANS, INC.;  
BANK OF AMERICA, N.A.,

Defendants.

Case No. 2:12-cv-01820-RSM

DEFENDANTS COUNTRYWIDE HOME  
LOANS, INC. AND BANK OF AMERICA,  
N.A. AND PLAINTIFF WASHINGTON  
FEDERAL'S JOINT STIPULATED MOTION  
TO STAY PROCEEDINGS OR IN THE  
ALTERNATIVE EXTENSION OF TIME TO  
ANSWER OR OTHERWISE RESPOND TO  
THE AMENDED COMPLAINT

NOTE ON MOTION CALENDAR:  
July 12, 2012 (per LCR 7(d)(1))

Pursuant to LCR 10(g), Defendants Countrywide Home Loans, Inc. ("Countrywide") and Bank of America, N.A. ("BANA") (collectively, "Defendants") and Plaintiff Washington Federal ("Plaintiff") jointly move this Court to stay these proceedings indefinitely subject to periodic reporting to the court, or in the alternative extend the time to answer or otherwise respond to Plaintiff's Amended Complaint up to and including September 30, 2013. The purpose of this request is to facilitate the parties' ongoing settlement discussions and to preserve this Court's resources, and in support thereof the parties state as follows:

1. Plaintiff filed its Complaint on October 16, 2012. Before serving the Complaint on Defendants, Plaintiff filed its Amended Complaint on November 30, 2012.

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McGuireWoods LLP  
P.O. Box 31247  
Charlotte, NC 28209  
(704) 343-2000

2. In its Amended Complaint, Washington Federal alleges Defendants breached more than 600 representations and warranties for 98 subject loans.

3. On March 13-14, 2013, the parties convened a two-day face-to-face settlement conference in Seattle, Washington to discuss Plaintiff's claims and attempt to resolve this matter. The settlement conference was attended by four of Defendants' line of business employees and four of Plaintiff's line of business employees, including subject matter experts in the field of mortgage underwriting and origination and management with authority to resolve the case, as well as outside counsel. At the settlement conference, the parties discussed a previously-identified population of the loans at issue and the merits of Plaintiff's claims as to these loans.

4. Ultimately, the parties did not reach a resolution at the settlement conference. However, the parties have continued to work together in a good faith effort to resolve this matter without this Court's intervention in an effort to efficiently resolve the dispute and conserve the Court's resources and parties' resources.

5. To facilitate this effort, Defendants have engaged in information exchange since the March meeting to provide to Plaintiff the materials it has requested as it continues to analyze the loans at issue. For instance, Plaintiff requested, and Defendants provided, the underwriting guidelines applicable to each of the loans at issue. Defendants also provided Plaintiff with a spreadsheet identifying the applicable underwriting guidelines for each loan.

6. As noted above, Plaintiff is currently in the process of investigating and evaluating its claims. Once Plaintiff has completed this investigation and provided Defendants with the updated claims, the parties anticipate meeting again to discuss the claims and attempt to resolve this matter. This second settlement conference is scheduled for mid-August. The parties are in agreement that this will help facilitate an early resolution of this matter and that staying these proceedings will help achieve that goal.

7. Accordingly, Defendants and Plaintiff respectfully request that this Court grant a motion to stay these proceedings, including all court deadlines, until further order by this Court.

8. The parties submit that good cause exists to grant this Motion for several reasons.

1           9.       As noted above and in support of this motion, the parties have made good faith  
2 efforts to cooperate and resolve this matter without the Court's intervention. Such good faith  
3 efforts are evidenced by the two-day settlement conference in March attended by the parties'  
4 decision makers, Defendants providing Plaintiff with requested underwriting guidelines, and the  
5 scheduling of a second settlement conference.

6           10.      Second, granting the requested stay will preserve this Court's resources. The  
7 parties submit that the required loan-by-loan analysis, specifically the investigation of over 600  
8 alleged breaches of representations and warranties as to almost 100 loans set forth in the  
9 Amended Complaint and additional identified loans, is particularly arduous. Granting the  
10 requested relief will allow the parties' business representatives to work together to resolve this  
11 matter without burdening this Court.

12           11.      Third, if these proceedings are stayed, the parties will be able to dedicate their full  
13 resources to resolving this matter and avoid unnecessary legal expenses such as answering the  
14 Amended Complaint while consensual claims resolution efforts continue.

15           12.      Finally, no prejudice will result to either party by granting the requested relief.  
16           Accordingly, the parties respectfully request that this Court grant the Joint Stipulated  
17 Motion to Stay Proceedings indefinitely, with the requirement that the parties update this Court  
18 regarding the status of settlement discussions on or before September 2, 2013.

19           In the alternative, the parties request that the Court extend the time within which  
20 Defendants are required to answer or otherwise respond to the Amended Complaint up to and  
21 including September 30, 2013.  
22

1 This 12th day of July, 2013.

2 **McGUIRE WOODS LLP**

3 By:

4 **SAVITT BRUCE & WILLEY LLP**

5 By: /s/ Duffy Graham

6 James P. Savitt, WSBA #16847

7 Duffy Graham, WSBA # 33103

8 1425 Fourth Avenue, Suite 800

9 Seattle, WA 98101

10 Telephone: (206) 749-0500

11 Fax: (206) 749-0600

12 Email: jsavitt@sbwillp.com

13 dgraham@sbwillp.com

14 **MUNGER, TOLLES & OLSON LLP**

15 Marc T.G. Dworsky (*pro hac vice*)

16 Jacob S. Kreilkamp (*pro hac vice*)

17 355 South Grand Avenue, 35th Floor

18 Los Angeles, California 90071-1560

19 Telephone: (213) 683-9100

20 Fax: (213) 687-3702

21 Email: marc.dworsky@mto.com

22 jacob.kreilkamp@mto.com

23 *Attorneys for Bank of America, N.A.*

24 **GRAHAM & DUNN PC**

25 By: s/ Brad A. Goergen

26 Brad A. Goergen, WSBA #41611

27 2801 Alaskan Way, Suite 300

28 Seattle, WA 98121-1128

Telephone: (206) 624-8300

Fax: (206) 340-9599

Email: bgoergen@grahamdunn.com

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McGuireWoods LLP  
P.O. Box 31247  
Charlotte, NC 28209  
(704) 343-2000

1 **McGUIREWOODS LLP**

2 William C. Mayberry (*pro hac vice*)  
3 Jason D. Evans (*pro hac vice*)  
4 Andrew D. Atkins (*pro hac vice*)  
5 201 North Tryon Street, Suite 3000  
6 Charlotte, North Carolina 28202-2146  
7 Telephone: (704) 343-2024  
8 Fax: (704) 444-8751  
9 Email: bmayberry@mcguirewoods.com  
10 jevans@mcguirewoods.com  
11 aatkins@mcguirewoods.com

12 *Attorneys for Countrywide Home Loans, Inc.*

13 Stipulated as to relief requested:

14 BETTS, PATTERSON & MINES, P.S.

15 By: s/ James D. Nelson  
16 James D. Nelson, WSBA #11134  
17 BETTS PATTERSON & MINES, P.S.  
18 One Convention Place, Suite 1400  
19 701 Pike Street  
20 Seattle, Washington 98101-3927  
21 Telephone: 206-292-9988  
22 Facsimile: 206-343-7053  
23 jnelson@bpmlaw.com

24 WATKINS & EAGER, PLLC

25 By: s/Paul H. Stephenson, III  
26 Paul H. Stephenson, III, Pro Hac Vice  
27 WATKINS & EAGER, PLLC  
28 400 East Capitol Street, Suite 300  
Jackson, Mississippi 39201  
Telephone: 601-965-1900  
Facsimile: 601-965-1901  
jnelson@watkinseager.com

*Attorneys for Plaintiff*

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McGuireWoods LLP  
P.O. Box 31247  
Charlotte, NC 28209  
(704) 343-2000

**CERTIFICATE OF SERVICE**

I hereby certify that on July 12, 2013, I electronically filed the foregoing Defendants Countrywide Home Loans, Inc. and Bank of America, N.A.'s Stipulated Motion for Extension to Answer or Otherwise Respond to the Complaint with the Clerk of the Court using the CM/ECF system, which will send notice to the following counsel of record:

James D. Nelson  
BETTS PATTERSON & MINES, P.S.  
One Convention Place, Suite 1400  
701 Pike Street  
Seattle, Washington 98101-3927  
[jnelson@bpmlaw.com](mailto:jnelson@bpmlaw.com)

John Burley Howell III  
William F. Ray  
Paul H. Stephenson III  
WATKINS & EAGER PLLC  
P.O. Box 650  
Jackson, MS 39205  
[jhowell@watkinseager.com](mailto:jhowell@watkinseager.com)  
[wray@watkinseager.com](mailto:wray@watkinseager.com)  
[pstephenson@watkinseager.com](mailto:pstephenson@watkinseager.com)

David A. Nold  
NOLD MUCHINSKY PLLC  
10500 NE 8th St., Ste. 930  
Bellevue, WA 98004  
[dnold@noldmuchlaw.com](mailto:dnold@noldmuchlaw.com)

*Attorneys for Plaintiff Washington Federal*

By: **GRAHAM & DUNN PC**

By: s/ Brad A. Goergen  
Brad A. Goergen, WSBA #41611  
2801 Alaskan Way, Suite 300  
Seattle, WA 98121-1128  
Telephone: (206) 624-8300  
Fax: (206) 340-9599  
Email: [bgoergen@grahamdunn.com](mailto:bgoergen@grahamdunn.com)

*Local Counsel for Defendant Countrywide Home Loans, Inc.*